

FISCAL NOTE

Bill #: HB0685

Title: Youth in residential treatment counted for ANB

Primary Sponsor: Mendenhall, S

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$65,100	\$140,535
Revenue:		
General Fund	(\$107,500)	(\$107,500)
Net Impact on General Fund Balance:	(\$172,600)	(\$248,035)

<input checked="" type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input checked="" type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input type="checkbox"/> Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

1. Jefferson High School is the only school district with an existing childcare agency - residential treatment center within its boundaries that would potentially meet the criteria of Section 1 of HB 685. The residential treatment center is Alternative Youth Adventures (AYA).
2. HB 685 requires the childcare agency to apply for accreditation of its education program from the board of public education. Currently, there is no accreditation category for which the AYA program is eligible. The following assumptions outline the costs if AYA did apply for accreditation. No costs are shown in the fiscal note because it is uncertain if AYA could apply for accreditation that it would not currently be eligible to receive.
3. AYA has a capacity for 56 students in its residential treatment center and two therapeutic group homes. It is assumed that AYA will have 43 students that are residents of Montana and under the protective care of a state agency of the state of Montana. None of these students will be residents of Jefferson County.
4. AYA will apply for accreditation and the students were included in the enrollment counts for the district of residence, the cost of tuition for these students would be incurred by the state and deducted from the county equalization account. It is assumed that all of these students are high-need students and would qualify the district for higher tuition payments under 20-5-323, but not to exceed \$2,500. The total cost would be 43 students times \$2,500 or \$107,500.
5. AYA program would increase the ANB for the Jefferson High School district by 45 ($43 * 187/180 = 45$).

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6. ANB is generated from the previous year's enrollment. Unusual enrollment increases of more than 6% allow districts to receive the direct state aid amount in the year of enrollment. The direct state aid amount only is \$2,325 per ANB. 6% of the Jefferson High School ANB is 17. The district will receive the ANB that is above 17 or 28 additional ANB, for a total direct state aid cost of \$65,100 in FY 2004.
7. The students would generate funding at the high school per-ANB entitlement. On average, state monies fund 60% of the high school per-ANB entitlement, or \$3,123 (60% of \$5,205). Assume the cost would be \$140,535 ($45 * 3,123 = 140,535$) in FY 2005.
8. It is anticipated that AYA will employ the teachers who provide the educational services to the AYA students. Therefore, there will be no increase in district retirement costs or county retirement levies as a result of HB 685.

FISCAL IMPACT:

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
<u>Expenditures:</u>		
Local Assistance	\$65,100	\$140,535
<u>Funding of Expenditures:</u>		
General Fund (01)	\$65,100	\$140,535
<u>Revenues:</u>		
General Fund (01)	(\$107,500)	(\$107,500)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$172,600)	(\$248,035)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local property taxes to fund the district BASE budget will increase in the Jefferson High School district. However, it is likely that the district will use a portion of the \$107,500 tuition payment in the over-BASE portion of the general fund budget to offset this tax increase. It will be up to the district trustees to decide how the state funding increases, that the district receives under HB 685, will be used.

LONG-RANGE IMPACTS:

The provisions of HB 685 terminate June 30, 2005. Although it is unlikely, the passage of this bill could spur the creation of childcare agencies in other areas of the state that would be eligible for ANB funding if they meet the criteria of Section 1 of HB 685 within the next two years. If any other facility did meet the criteria, the costs would increase.

TECHNICAL NOTES:

The Board of Public Education has not created an accreditation category for private, alternative education programs such as AYA. Until an accreditation category is established the school cannot be accredited. The bill only requires the agency to apply for accreditation, not receive it.